

Preliminary Financial Results

November FY2016

January 12, 2016

November YTD (2 Months) (Billions)	Prelim 2016	FY 2015
Revenue (Excluding Temporary Exigent Surcharge)	\$ 11.7	\$ 11.5
Temporary Exigent Surcharge ¹	<u>0.4</u>	<u>0.4</u>
Total Revenue	12.1	11.9
Controllable Expenses ²	<u>11.3</u>	<u>11.2</u>
Controllable Income (Loss) ²	0.8	0.7
Retiree Health Benefits Pre-Funding	(1.0)	(1.0)
FERS Unfunded Liability Amortization	-	-
Workers' Comp. Fair Value Adj.	0.3	(0.6)
Workers' Comp. Other Non-Cash Adj.	<u>(0.2)</u>	<u>(0.2)</u>
Net Income (Loss)	<u>\$ (0.1)</u>	<u>\$ (1.1)</u>

1 - Estimated.

2 - Before RHB pre-funding, FERS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.

November YTD (2 Months) (Billions)	Prelim 2016	FY 2015
Compensation & Benefits^{1, 2}	\$8.7	\$8.6
Transportation	1.1	1.1
Depreciation	0.3	0.3
Supplies & Services	0.4	0.4
Rent, Utilities & Other	<u>0.8</u>	<u>0.8</u>
Controllable Expenses	\$11.3	\$11.2
Workhours (Millions)^{1, 2}	189	186

1 - Delivery days were even compared to SPLY.

2 - Before RHB pre-funding, FERS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.

FY2015
29.0 B



FY2016
28.0 B

FCM Single-Piece



(4.5)%



FCM Presort Letters & Other



(2.9)%



Standard Mail



(4.2)%



Other (incl. Periodicals)



(3.2)%



Total Shipping & Packages



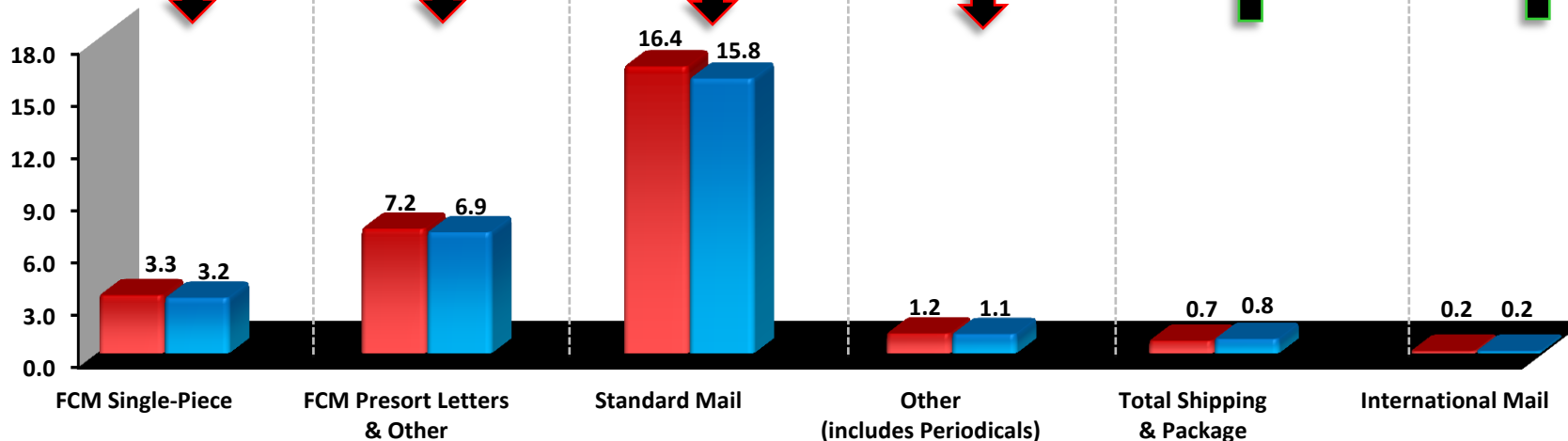
14.4%



International Mail



3.8%



YTD November FY2016 has the same number of weekdays, Saturdays, & Sundays as compared to FY2015.

Revenue including Exigent Surcharge: November FY2016 YTD vs. SPLY

FY2015
\$11.9 B

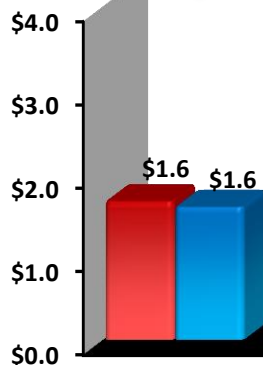
↑ \$0.2B

FY2016
\$12.1 B

FCM Single-Piece



(4.0)%

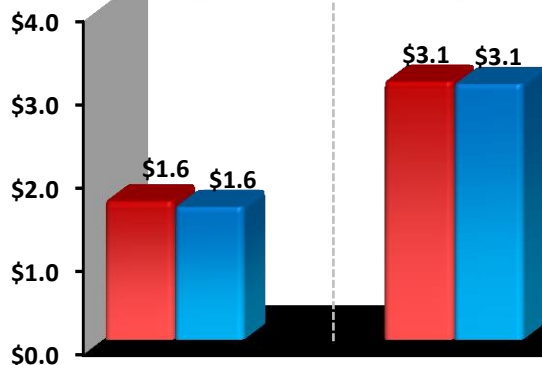


FCM Single-Piece

FCM Presort Letters & Other

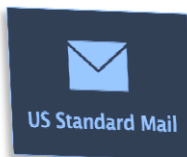


(0.9)%



FCM Presort Letters
& Other

Standard Mail



(2.3)%



Standard Mail

Other (incl. Periodicals)



24.6%

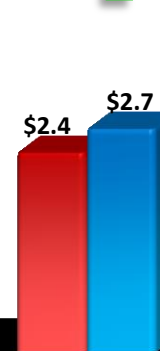


Other
(includes Periodicals)

Total Shipping & Packages



11.8%



Total Shipping
& Package

International Mail



(5.7)%



International Mail

YTD November FY2016 has the same number of weekdays, Saturdays, & Sundays as compared to FY2015.

FY2015
\$2.4 B



FY2016
\$2.7 B

Priority Mail Express



(4.7)%



First-Class Package Service



13.0%



Priority Mail & Standard Post



5.2%



Parcel Select & Return



32.9%



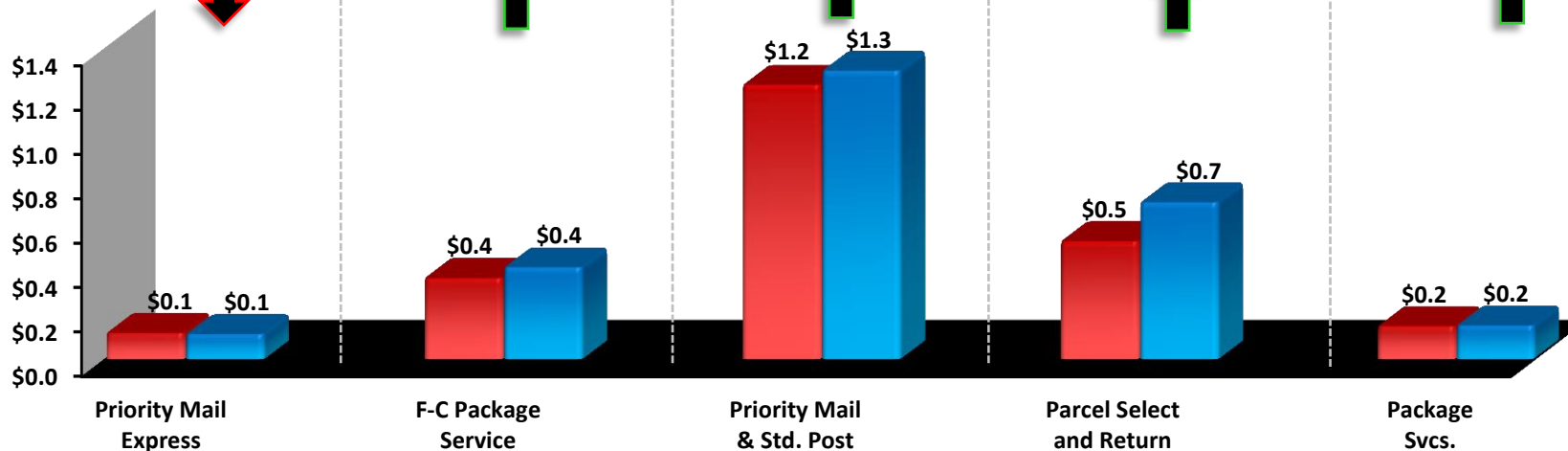
Package Services



1.9%



\$ Billions



YTD November FY2016 has the same number of weekdays, Saturdays, & Sundays as compared to FY2015.